

No securities commission or similar authority in Canada has in any way passed upon the merits of the securities offered hereunder and any representation to the contrary is an offence.

New Issue

MAJOR HOLDINGS & DEVELOPMENTS LIMITED

\$1,750,000 7¼% Subordinated Sinking Fund Convertible Debentures due December 15, 1988

To be dated December 15, 1968

To Mature December 15, 1988

Annual mandatory sinking fund payments commencing on December 15, 1979 will retire approximately 51 % of the 7¼% Subordinated Sinking Fund Convertible Debentures due December 15, 1988 (the "Convertible Debentures") prior to maturity as set out on page 8. The Convertible Debentures will not be redeemable prior to December 15, 1978 as part of a refunding operation including an interest cost to the Company of less than 7¼ % per annum. Subject to this restriction the Convertible Debentures will be redeemable at varying prices as set forth under the heading "Redemption" on page 8.

Conversion Privilege

The Convertible Debentures will be convertible, at the option of the holder, into common shares of the Company at any time prior to the close of business on December 15, 1978, or, if called for redemption, on the last full business day next preceding the date fixed for redemption at the rate of 370 common shares for each \$1,000 principal amount of Convertible Debentures (the approximate conversion price being \$2.70 per share). Further particulars regarding the conversion privilege and the adjustment thereof in certain events are set out on page 8.

Security

The Convertible Debentures will be secured by a floating charge on the assets and undertaking of the Company as set forth under the heading "Security" on page 9.

Trustee: National Trust Company, Limited

	<u>Price to Public</u>	<u>Underwriting Discount</u>	<u>Proceeds to Company(1)(2)</u>
Per Unit.....	100 % (2)	4 %	96 %
Total.....	\$1,750,000(2)	\$70,000	\$1,680,000
(1) Before deducting expenses payable by the Company estimated not to exceed \$20,000.			
(2) Plus accrued interest if any.			

Price: 100 plus accrued interest

We, as principals, offer the Convertible Debentures subject to prior sale and change in price if as and when issued by the Company and accepted by us. Subscriptions for the Convertible Debentures will be received subject to rejection or allotment in whole or in part and the right is reserved to close the subscription books at any time without notice. It is expected that certificates for the Convertible Debentures will be available for delivery on or about December 16, 1968.

Cochran, Murray & Co., Limited

Seven King Street East
Toronto

MONTREAL

HAMILTON

KITCHENER

LONDON

VANCOUVER

No securities commission or similar authority in Canada has in any way passed upon the merits of the securities offered hereunder and any representation to the contrary is an offence.

New Issue

MAJOR HOLDINGS & DEVELOPMENTS LIMITED

400,000 Common Shares (without par value)

An application has been made to list the common shares on The Toronto Stock Exchange. Acceptance of the application will be subject to the filing of required documents and evidence of satisfactory distribution, both within 90 days.

Transfer Agent and Registrar: The Canada Trust Company

	<u>Price to Public</u>	<u>Underwriting Discount</u>	<u>Proceeds to Company(1)</u>
Per Unit.....	\$2.25	\$0.1575	\$2.0925
Total.....	\$900,000	\$63,000	\$837,000

(1) Before deducting expenses payable by the Company estimated not to exceed \$10,000.

Price: \$2.25 per share

We as principals, offer these common shares subject to prior sale and change in price if as and when issued by the Company and accepted by us. Subscriptions for the common shares will be received subject to rejection or allotment in whole or in part and the right is reserved to close the subscription books at any time without notice. It is expected that certificates in interim form for the common shares will be available for delivery on or about December 16, 1968.

Cochran, Murray & Co., Limited

**Seven King Street East
Toronto**

MONTREAL

HAMILTON

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LONDON

VANCOUVER

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THE COMPANY

History and Business

Realizing the potential of an aggressive land development company in the Kitchener-Waterloo area, Mr. Abram Wiebe and a small group of local prominent businessmen incorporated Major Holdings (Waterloo) Limited in 1957. This company's first land holdings included four farms, comprising approximately 330 acres, located in north-west Waterloo and designated as Beechwood Park. Additional property was later acquired in Kitchener and was immediately successfully developed as the company's first subdivision, Jackson Park, a community of 250 homes. Throughout the year the company continued its inventory acquisition programme and in 1958 sold land to the Waterloo College Associate Faculties which formed the first phase of the University of Waterloo campus.

In 1958 a subsidiary, Major Holdings Industrial Developments Limited was incorporated for the purpose of concentrating exclusively on the development of industrial land and buildings. This company operated successfully for a period of three years and assisted ten companies and institutions in locating in the area located at Columbia and Phillip Streets known as the Columbia Industrial Basin. Private industrial development became less active in the early 1960's as a result of the decision of the authorities of the Cities of Kitchener and Waterloo to become active in the development of industrial land. It no longer became necessary to have a special company engaged specifically in this field and as a result the operations of the two companies were merged in 1964.

Major Holdings & Developments Limited is the continuing corporation resulting from the amalgamation by letters patent under the laws of Ontario on August 1, 1964, of Major Holdings (Waterloo) Limited with its subsidiary Major Holdings Industrial Developments Limited. Supplementary Letters Patent dated July 8, 1966 and October 22, 1968 have been issued to the Company. In this prospectus the term "Company" means Major Holdings & Developments Limited subsequent to July 31, 1964 and means Major Holdings (Waterloo) Limited prior to August 1, 1964.

The head office and principal business office of the Company is located at 824 King Street West, Kitchener, Ontario. To date all the Company's operations have been centred in the Kitchener-Waterloo area, one of the prime industrial and commercial areas of Ontario.

Since incorporation in 1957 the Company has acquired more than 2,700 acres of land in the Kitchener-Waterloo area and at present it owns, has the right to purchase under accepted offers to purchase, or has options to purchase, approximately 1,760 acres as follows:

	Number of Acres	Aggregate Cost or Purchase Price or Option Price
Owned.....	1,530	\$2,432,700
Subject to accepted offers to purchase.....	212	\$ 324,600
Under option.....	18	\$ 175,000

During this time, the Company has developed and sold residential land to merchant builders on which approximately 860 housing units have been constructed.

Industrial development has accounted for the sale of some 100 acres to users and construction of 80,000 square feet of rental space for the Company's own account.

Since incorporation, the Company has constructed and sold the Royal Bank Building at Victoria and Lancaster Streets, in Kitchener and Terminal Buildings Number 1 and Number 2, being factory and warehouse buildings located in the Columbia Industrial Basin in Waterloo. A third factory and warehouse building in the same industrial basin known as Terminal Building Number 3 has been constructed and is still owned by the Company. It is wholly occupied by the University of Waterloo.

The Company has also constructed and is the owner of the Westmount Towers apartment building comprising 57 suites located on Westmount Road in Waterloo and also the King-University Building in Waterloo, part of which is occupied by The Royal Bank of Canada with the remainder being occupied by a restaurant and a barber shop.

In addition, the Company has acquired by purchase and owns the following factory buildings: The Keith-Day Building on Regina Street in Waterloo, the Industrial Building on Weber Street in Waterloo, wholly occupied by Abex Industries of Canada Limited and the General Commercial Building on Victoria Street in Kitchener presently leased to a variety of commercial enterprises.

Current Projects

BEECHWOOD PARK, WATERLOO

Acknowledged as one of the finer residential areas in the Twin Cities of Kitchener and Waterloo, flanking the campus of the University of Waterloo, this community plan earned the Company the 1965 Urban Development Institute's Award for Best Subdivision in Ontario. Over 1,080 contiguous acres are still owned by the Company and construction is nearing completion of the first neighborhood plan of 200 custom homes in the \$40,000—\$100,000 price bracket. A Draft Plan is now being processed for the next phase comprising 250 acres, accommodating over 500 single-family homes, some 40 acres of apartment and multi-family sites, parks and related facilities. One of the largest builders of homes in this area is Vintage Homes Limited in which the Company holds a minority interest.

WESTMOUNT VILLAGE, WATERLOO

The apex of the Beechwood Park area centers on the intersection of Erb Street, Westmount Road and University Avenues. In this 40 acre area known as Westmount Village, of which 16 acres are zoned Shopping Centre, the Company plans to construct a quality shopping centre to be known as Westmount Place. Architects for the project are Webb, Zerafa, Menkes of Toronto. It will comprise some 67,000 square feet of retail space and 10,000 square feet of office space. Leasing is proceeding satisfactorily and construction is expected to start by December 15, 1968 with the opening planned for November 1, 1969. Approximately 6.5 acres will be utilized for the Westmount Place shopping centre and on the remaining 9.5 acres of the site, the Company has spent considerable sums in commissioning feasibility studies for a hotel to adjoin the shopping centre. The firm of Horwath & Horwath have made recommendations for a quality hotel at this location to capitalize on the proximity of the two large universities in Waterloo. Extensive plans have been prepared by the firm of Webb, Zerafa, Menkes. The Company is prepared to proceed with the construction of a 160-room quality hotel once satisfactory financing, leasing and operating arrangements have been arranged.

WESTMOUNT TOWERS, WATERLOO

Across Westmount Road from the proposed shopping centre is a 57-suite luxury apartment building completed by the Company in 1962 known as Westmount Towers. Plans are now being finalized for a second building to be located on adjoining land, complementing the existing structure and containing spacious and luxurious apartment suites. The architect for this 108-suite project is Martin Mendelow of Toronto.

TOWN HOUSING, WATERLOO

Adjacent to the Westmount Towers complex, the Company has sold land for town house construction, on which some 80 units are completed and occupied with the remaining 70 units to commence shortly. Lying between Westmount Village's apartments and town houses and the luxury homes of Beechwood Park is a 9 acre parcel of land located on a wooded hill, bordered by fully serviced streets, that is now being planned for multi-family development subject to the necessary zone change. The architects working on this project are Snider, Huget & March of Waterloo whose plans for a slim 12-storey tower plus luxury town houses have been approved by the Company and are now being readied for presentation to the Planning Board. This 127-unit development will meet the needs of higher-income families for care-free accommodation.

UNIVERSITY-PHILLIP, WATERLOO

This project is an apartment development with a limited amount of retail facilities being planned for early construction at the corner of University Avenue and Phillip Street, right on the door step of the main entrance to the campus of the University of Waterloo. Plans for the first apartment tower of 135 suites, together with 20,000 square feet of student oriented shops are being prepared by D. Lea Matthews of Kitchener in conjunction with Webb, Zerafa, Menkes. Subject to obtaining zoning approval construction is scheduled to commence in 1969.

PIONEER PARK, KITCHENER

Pioneer Park is located in the recently annexed southern area of Kitchener, one mile from the Macdonald-Cartier Freeway. It is traversed by Homer Watson Boulevard which is being developed as the main traffic artery into the west end of the Twin Cities. The Company owns over 600 acres of choice rolling farmland in this area and has produced a master plan for its development which is now being given final study by Kitchener planning authorities. As the property adjoins Kitchener's Huron Industrial Park, the emphasis will be on a variety of housing for

purchase and rental suitable for employees of companies located in the industrial park. A 10 acre shopping centre site, 50 acres of prime industrial sites, a high school site and a number of elementary school sites are all included in the plan. Governmental approvals are anticipated in 1969 with a start of construction by early 1970.

CONESTOGA TOWERS, KITCHENER

The Company will fully complete a 158-suite 20-storey apartment building in the heart of downtown Kitchener by December 31, 1968, named Conestoga Towers. Leasing is proceeding most satisfactorily and tenants are requesting occupancy prior to completion of the project. The project cost will be approximately \$2,500,000.

CAPITALIZATION OF THE COMPANY

	Amount Authorized or to be authorized	Amount Outstanding as at July 31, 1968	Amount Outstanding as at October 22, 1968	Amount to be Outstanding as at October 22, 1968 after giving effect to the sale of the Convertible Debentures and the common shares offered by this prospectus
Long Term Debt				
Bank Loan (secured) (1)...		\$ 165,000	\$ 205,000	—
Mortgages and Purchase Agreements Payable matur- ing from July 31, 1968 (2)				
—within one year.....		\$1,580,114	\$ 793,652	\$ 793,652
—within 2 to 5 years.....		\$1,812,657	\$2,014,893	\$2,014,893
—within 6 to 10 years....		\$1,029,524	\$1,015,300	\$1,015,300
—after ten years.....		\$1,088,898	\$2,236,703	\$2,236,703
7¼ % Subordinated Sinking Fund Convertible Debentures due December 15, 1988 (this issue).....	\$1,750,000	—	—	\$1,750,000
Sundry Indebtedness.....		\$ 114,557	\$ 132,591	\$ 132,591
Capital Stock				
7½ % Cumulative Preference Shares.....	100,000 (\$1,000,000)	32,105 (\$321,050)	32,105 (\$321,050)	32,105 (\$321,050)
Common Shares without par value (3).....	3,000,000	131,772 (\$25,041)	1,319,920 (\$25,657)	1,719,920 (\$862,657)

Notes to Capitalization Table

- (1) The bank loan is secured by an assignment of the Company's book debts.
- (2) There are outstanding numerous mortgages and purchase agreements payable covering individual properties owned by the Company. It is not practicable to state the aggregate initial amounts of these mortgages and purchase agreements payable at their respective dates of issue or assumption. These mortgages and purchase agreements payable bear interest at varying rates ranging from nil to 13¼ % per annum. The aggregate interest paid by the Company during the 12 months ended January 31, 1968 was \$281,845 and during the 6 months ended July 31, 1968 was \$145,336.
- (3) By Supplementary Letters Patent dated October 22, 1968, the Company was converted from a private company to a public company, the authorized and issued common shares were subdivided on a 10 for 1 basis, and the authorized common share capital was increased by the creation of an additional 1,500,000 common shares ranking equally with the subdivided common shares.

DESCRIPTION OF THE CONVERTIBLE DEBENTURES

The \$1,750,000 principal amount of 7¼ % Subordinated Sinking Fund Convertible Debentures due December 15, 1988 offered by this prospectus are to be authorized for issuance under a Trust Indenture (the "Convertible Debenture Indenture") to be dated as of November 15, 1968 between the Company and National Trust Company, Limited (the "Trustee"), as trustee, and will be limited to \$1,750,000 principal amount. The Convertible Deben-

tures will be dated December 15, 1968 and will mature on December 15, 1988. The Convertible Debentures will bear interest at the rate of $7\frac{1}{4}\%$ per annum (with interest on overdue interest at the same rate).

Conversion

The Convertible Debentures will be convertible, at the option of the holder, into common shares of the Company at any time prior to the close of business on December 15, 1978, or, if called for redemption, on the last full business day next preceding the date fixed for redemption at the rate of 370 common shares for each \$1,000 principal amount of Convertible Debentures.

The Convertible Debenture Indenture will contain provisions to the effect that, in the event of (a) any reduction in the number of common shares of the Company due to consolidation thereof, or (b) any increase in the number of such common shares due to subdivision thereof, or (c) any reclassification of such common shares or other shares of the Company, a proportionate adjustment shall be made in the number of common shares or kind of shares issuable upon conversion of any Convertible Debenture subsequent to any such change in the number of common shares or kind of shares becoming effective. The Convertible Debenture Indenture will also contain other provisions to the effect that, if the Company at any time after November 15, 1968 issues or sells (with certain exceptions to be set forth in the Convertible Debenture Indenture) common shares, including shares issued by way of stock dividend, for a consideration less than the purchase price in effect immediately prior to the issuance of such common shares, the rate of conversion shall be adjusted (in the manner to be set forth in the Convertible Debenture Indenture) so as to protect the rights of the holders of the Convertible Debentures against dilution. The Company will covenant in the Convertible Debenture Indenture that it will at all times reserve sufficient of its unissued common shares to satisfy the conversion of the Convertible Debentures.

Payment

Principal, half-yearly interest (December 15 and June 15) and redemption premium, if any, will be payable in lawful money of Canada at any branch in Canada (far northern branches excepted) of the Company's bankers.

Denominations

The Convertible Debentures will be available in coupon form in denominations of \$1,000 registrable as to principal only and in fully registered form in denominations of \$1,000 and authorized multiples thereof.

Sinking Fund

The Company will establish a mandatory sinking fund sufficient to retire \$100,000 principal amount of the Convertible Debentures on December 15, in each of the years 1979 to 1987 inclusive. Such sinking fund will provide for the retirement of approximately 51% of the original principal amount of the Convertible Debentures prior to maturity. The Convertible Debentures will be redeemable by call for sinking fund purposes at the principal amount thereof plus accrued interest to the date specified for redemption. Convertible Debentures purchased or redeemed (otherwise than out of sinking fund moneys) by the Company may at the election of the Company be applied as a credit against subsequent sinking fund payments.

Purchase

The Company will be entitled to purchase Convertible Debentures in the market or by private contract at any price not exceeding the redemption price at which Convertible Debentures could at the time of purchase be redeemed otherwise than out of sinking fund moneys plus costs of purchase.

Redemption

The Company will not be permitted to redeem any Convertible Debentures before December 15, 1978 in connection with a refunding operation involving the application directly or indirectly of borrowed funds having an interest rate or cost to the Company or other obligor of less than $7\frac{1}{4}\%$ per annum. Subject to the foregoing restriction, the Convertible Debentures will be redeemable for other than sinking fund purposes at the option of the Company in whole at any time or in part from time to time on not less than 30 days' prior notice at the following percentages of the principal amount thereof plus accrued interest to the date specified for redemption:

<u>If redeemed in the 12 months ending December 15</u>	<u>Percentage</u>	<u>If redeemed in the 12 months ending December 15</u>	<u>Percentage</u>
1969	107.250	1979	103.500
1970	106.875	1980	103.125
1971	106.500	1981	102.750
1972	106.125	1982	102.375
1973	105.750	1983	102.000
1974	105.375	1984	101.625
1975	105.000	1985	101.250
1976	104.625	1986	100.875
1977	104.250	1987	100.500
1978	103.875	1988	100.000

Security

The Convertible Debenture Indenture will provide in effect that the Convertible Debentures are to be secured by a floating charge in favour of the Trustee upon the undertaking and assets of the Company now owned or hereafter acquired but subject to an exception as to the last day of the term of any lease or agreement therefor.

The Convertible Debenture Indenture will further provide that subject to certain conditions outlined below the floating charge shall not prevent the Company or its subsidiaries from dealing with the subject matter of the floating charge in the ordinary course of its business and in particular shall not prevent the Company from:

- (a) specifically pledging and mortgaging real properties now owned or hereafter acquired;
- (b) selling, assigning or otherwise disposing of any of its real property now owned or hereafter acquired or selling, assigning or otherwise disposing of any of its property in the ordinary course of its business;
- (c) giving security upon the subject matter of such floating charge or any part thereof, and ranking in priority thereto, to any Canadian chartered bank or banks to secure indebtedness of the Company to such bank or banks.

Subordination

The payment by the Company of the principal amount, premium (if any) and interest on the Convertible Debentures will be subordinated in all respects in the manner to be set forth in the Convertible Debenture Indenture to the prior payment in full of all Prior Indebtedness as defined below whether outstanding on the date of the Convertible Debenture Indenture or thereafter incurred. The Convertible Debenture Indenture will contain provisions to the effect that in case of the liquidation or bankruptcy of the Company or similar events no payments (other than sinking fund payments made when the principal of the Convertible Debentures has not been declared due and certain other payments) may be made by the Company on the Convertible Debentures until all Prior Indebtedness is paid in full and if any such payment is made to the Trustee or any holder of a Convertible Debenture in such circumstances such payment must be paid over by the Trustee or such holder to the holders of Prior Indebtedness. The Convertible Debenture Indenture will also contain provisions to the effect that during the continuance of an event of default with respect to Prior Indebtedness that has not been waived no payments (other than sinking fund payments made when the principal of the Convertible Debentures has not been declared due and certain other payments) may be made by the Company on the Convertible Debentures and if any such payment is made to the Trustee or any holder of a Convertible Debenture it shall be held by the Trustee or transferred to the Trustee to be held in trust for the holders of prior indebtedness.

“Prior Indebtedness” will be defined in effect as the principal of, premium (if any) and interest on bona fide purchase agreements payable and specific mortgages on real property, bank indebtedness, presently outstanding notes payable and indebtedness of the Company incurred, assumed or guaranteed in connection with the acquisition by the Company or a subsidiary of any business, properties or other assets.

The Convertible Debenture Indenture will provide in effect that the Trustee will be authorized from time to time to execute and deliver agreements in writing in favour of the holders of Prior Indebtedness expressly subordinating the Convertible Debentures to Prior Indebtedness.

CERTAIN RESTRICTIONS

Definitions

The following terms will be defined in the Convertible Debenture Indenture substantially as follows:

"Funded Indebtedness"—any debt or obligation payable more than one year from the date of creation thereof.

"Net Earnings Available for Interest"—the net earnings of the Company and its subsidiaries determined on a consolidated basis as reported in the statement of earnings of the Company plus all depreciation and income taxes including deferred income taxes included therein and plus all interest charges referred to in clause (i) (B) in the second paragraph under the heading "Additional Debt".

Additional Debt

The Company and its subsidiaries will be permitted, without restriction, to incur:

- (a) indebtedness secured by specific mortgages (including mortgage bonds) or purchase agreements payable on properties of the Company or such subsidiaries now owned or hereafter acquired, and
- (b) indebtedness of the Company or of its subsidiaries with Canadian chartered banks,

such indebtedness being hereinafter called "Permitted Indebtedness".

The Convertible Debenture Indenture will provide in effect that neither the Company nor any subsidiary will be permitted to incur Funded Indebtedness (other than Permitted Indebtedness) unless:

One-third of the Net Earnings Available for Interest for any 36 consecutive months during the period of 42 calendar months preceding the first day of the month in which such additional Funded Indebtedness is created has been at least equal to the aggregate of

- (i) an amount equal to one and one-half times the total of
 - (A) the cash outlay which will be required to meet interest payments, falling due during the 12 months following creation of such additional Funded Indebtedness on such additional Funded Indebtedness plus
 - (B) one-third of all interest charges during the said 36 consecutive months (including but not limited to interest on all Funded Indebtedness and bank interest) of the Company and its subsidiaries which has been charged to expense as interest, plus
- (ii) the amount of all mandatory sinking fund payments required to be made by the Company during the 12 months following the date of issue of such additional Funded Indebtedness in respect of all Convertible Debentures at such time outstanding and all mandatory sinking fund payments, if any, in respect of such additional Funded Indebtedness then proposed to be issued, after deducting therefrom the aggregate principal amount of all Convertible Debentures purchased by the Company and at such time available to the Company as a credit against sinking fund payments required to be made during such 12 month period.

Dividend and Redemption Restrictions

The Convertible Debenture Indenture will contain a covenant to the effect that neither the Company nor any subsidiary will be permitted (a) to declare or pay any dividends on its common shares (other than stock dividends or dividends of wholly-owned subsidiaries of the Company); or (b) to redeem, reduce, purchase or otherwise pay off any of its shares at any time outstanding (except out of the proceeds of an issue of shares made at any time after December 16, 1968, and prior to or contemporaneously with any such redemption, reduction, purchase or payment) if the Company is in default in any payment of interest or principal on the Convertible Debentures or if immediately after giving effect to such action the consolidated retained earnings would be reduced below \$750,000.

INTEREST COVERAGE

The maximum annual interest requirements of the Company on all Funded Indebtedness after giving effect to the sale of the Convertible Debentures will amount to \$408,720. Earnings of the Company before cost of Funded Indebtedness and income taxes were \$598,116 for the year ended January 31, 1968, and were \$380,955 for the six months ended July 31, 1968. These amounts respectively are 1.46 and 1.83 times the maximum annual interest requirements.

ASSET COVERAGE

The net tangible assets of the Company as at July 31, 1968, as shown by the pro forma balance sheet on page 16 were as follows:

Cash.....	\$2,321,552
Sale agreements and mortgages receivable.....	1,226,235
Property held for development.....	2,570,155
Preliminary expenses re Westmount Village.....	87,440
Investment in an affiliated company.....	4,791
Fixed assets.....	<u>3,411,068</u>
	9,621,241
 <i>Less: Liabilities (excluding Convertible Debentures).....</i>	 6,281,607
Net tangible assets after giving effect to the present financing.....	<u><u>3,339,634</u></u>

The net tangible assets are equivalent to approximately \$1,900 for each \$1,000 principal amount of Convertible Debentures to be outstanding after giving effect to the sale of the common shares and the Convertible Debentures offered by this prospectus.

DESCRIPTION OF THE SHARES OF THE COMPANY

Preference Shares

The authorized capital of the Company includes 100,000 Cumulative Redeemable Preference Shares with a par value of \$10 each (the "preference shares"), of which there are issued and outstanding 32,105 shares. The preference shares have attached thereto provisions to the following effect:

1. The holders of the preference shares are entitled to receive and are limited to fixed cumulative preferential cash dividends at the rate of $7\frac{1}{2}\%$ per share per annum payable either yearly or half-yearly or quarterly as the directors may from time to time determine.
2. The holders of preference shares are not entitled, with certain exceptions, to receive notice of or to attend any meeting of the shareholders and are not entitled to any vote until the Company shall fail for a period of two years to pay the dividends on the preference shares; thereafter preference shareholders shall have the right to one vote for each preference share.
3. In the event of the liquidation, dissolution or winding up of the Company, the holders of the preference shares shall be entitled to receive the amount paid up on such shares together with all unpaid cumulative dividends before any distribution to the holders of the common shares of any property or assets of the Company.
4. The Company may redeem all or any part of the outstanding preference shares on sixty days' notice by paying the amount paid up thereon together with unpaid cumulative dividends.
5. The Company may at any time or times purchase for cancellation the whole or any part of the preference shares in the open market or by tender at the lowest price at which in the opinion of the directors such shares are obtainable but not exceeding the amount paid up thereon and accrued and unpaid dividends.

6. The authorization for an application for the issue of supplementary letters patent of the Company to delete or vary any preference, right, etc. attached to the preference shares or to create preference shares ranking in priority to or on a parity with the preference shares may be given by at least two-thirds of the votes cast at a meeting of the holders of the preference shares.

The directors of the Company are permitted to issue all or any part of the authorized but unissued preference shares of the Company at any time.

Common Shares

The common shares without par value of the Company participate equally on liquidation and distribution of capital assets and enjoy equal rights to dividends and full voting rights of one vote per share at all annual and general meetings of the shareholders of the Company.

No dividends may at any time be declared or paid on the common shares of the Company unless all cumulative dividends at the specified rate on the preference shares then issued and outstanding shall have been declared and paid or provided for at the date of such declaration or payment. Reference is also made to the restrictions on payment of dividends referred to under the heading "Dividend and Redemption Restrictions" on page 10.

Prior Issuance of Common Shares

24,800 common shares of the Company⁽¹⁾ have been issued within the past twelve months at the price of 28¢ per share.

(1) Adjusted to reflect the subdivision of common shares on a 10 for 1 basis on October 22, 1968.

USE OF PROCEEDS

The Company wishes to raise additional capital primarily to provide a broader base to finance the anticipated growth of its real estate investment business.

The Company expects to apply the net proceeds of the sale of the securities offered by this prospectus, estimated to be \$2,487,000 as follows:

Reduction of bank indebtedness which at October 22, 1968 amounted to \$205,000..... \$205,000

To finance the Company's permanent investment in the following projects described under the heading "Current Projects" on page 6:

University-Phillip Project	\$200,000	
Westmount Towers—north wing	200,000	
Westmount Place shopping centre	200,000	
Town House Projects	300,000	\$ 900,000
Development cost, Pioneer Park		\$ 150,000
Land acquisitions and general corporate purposes		\$1,232,000
		<u>\$ 2,487,000</u>

PRINCIPAL HOLDER OF SECURITIES

Mr. Abram Wiebe, the president of the Company owns or is deemed to own more than 10% of the common shares of the Company as follows:

Type of Ownership	Number of Shares	Per cent of Class
Of record and beneficially	651,030	49.3 %
Beneficially only	571,630	43.3 %

The directors and senior officers of the Company as a group are deemed to own beneficially, directly or indirectly, 79.1 % of the common shares of the Company.

PLAN OF DISTRIBUTION

The Convertible Debentures and the common shares offered by this prospectus are being purchased from the Company by Cochran, Murray & Co., Limited, as underwriter (i) as to the Convertible Debentures at a price of \$96 for each \$100 principal amount, (ii) as to the 400,000 common shares at a price of \$2.0925 per share pursuant to an agreement dated November 28, 1968 between the Company and Cochran, Murray & Co., Limited, in each case payable in cash against delivery on or about December 16, 1968 and upon and subject to the terms and conditions set out in the said agreement and compliance with the necessary legal requirements.

DIRECTORS AND OFFICERS

The following are the directors and officers of the Company and their principal occupations for the last five years.

<u>Name and home address</u>	<u>Position and office held</u>	<u>Principal occupation</u>
BRUCE HARVEY BURNS, C.A..... 190 Mohawk Avenue Waterloo, Ontario	Vice-President and Treasurer and Director	Vice-President and Treasurer of the Company since 1966 and prior thereto, Treasurer of the Company
KENNETH HUGH CHRISTOPHER..... 338 Westcourt Place Waterloo, Ontario	Director.....	Executive Assistant to President of the Company since 1964 and prior thereto, Secretary of the Y.M.C.A., Niagara Falls, Ontario
EDWARD JOSEPH BERGMAN..... 34 Bricker Avenue Waterloo, Ontario	Director.....	Jeweller, City of Waterloo
ALBERT EDWARD DUNKER..... 149 Claremont Avenue Kitchener, Ontario	Director.....	President, Dunker Investments Limited
CARL EDWARD DUNKER, M.B.E..... 187 Lincoln Road Waterloo, Ontario	Director.....	President, Dunker Construction Limited
HOWARD RITZ HUEHN..... Heidelberg, Ontario	Director.....	General Merchant, Heidelberg
NORMAN WILLIAM PARKER..... 269 Claremont Avenue Kitchener, Ontario	Director.....	Secretary, Equitable Life Assurance Company, Waterloo
ABRAHAM ISAAC ROSENBERG..... 24 Rusholme Road Kitchener, Ontario	Director.....	Investor
JOHN HARPER SCHOFIELD, Q.C..... 239 Lydia Street Kitchener, Ontario	Director.....	Senior Partner, Messrs. Bray, Schofield, MacKay & Kelly, Barristers and Solicitors
JACK HENRY SMITH, Q.C. 108 Queen Street N. Kitchener, Ontario	Secretary and Director	Senior Partner, Messrs. Wintermeyer, Smith, Murphy & Graham, Barristers and Solicitors

<u>Name and home address</u>	<u>Position and office held</u>	<u>Principal occupation</u>
HARRY EDWIN WAMBOLD 300 Dumphries Street Kitchener, Ontario	Director	President, K-W Readymix Limited
CARL NICHOLAS WEBER 311 Shakespeare Place Waterloo, Ontario	Director	President, C. N. Weber Limited
ABRAM WIEBE, F.R.I. 176 Tennyson Place Waterloo, Ontario	President and Director	President of the Company

REMUNERATION OF DIRECTORS AND SENIOR OFFICERS

The aggregate direct remuneration paid or payable to the directors and senior officers of the Company during the financial year of the Company ended on January 31, 1968 was \$59,838 and during the period February 1, 1968 to October 22, 1968, was \$47,896.

INCENTIVE STOCK OPTION PLAN

The Company established an Incentive Stock Option Plan in July, 1968 granting to certain senior officers of the Company (three of whom are also directors of the Company) options to purchase all or any part of 130,000 common shares⁽¹⁾. None of the options has been exercised.

The options are exercisable at the price of \$1.50 per share at any time prior to July 30, 1973 and at the price of \$3.00 per share during the period July 31, 1973 to and including July 30, 1978. As there has been no previous public distribution of shares of the Company, no market price for the common shares has ever been established.

(1) Adjusted to reflect the subdivision of common shares on a 10 for 1 basis on October 22, 1968.

DIVIDEND RECORD

The Company has paid dividends at the specified rate of 7½% per annum on each of its outstanding preference shares since the dates of issuance of such shares, the first of which were issued in 1957.

INTERESTS OF MANAGEMENT AND OTHERS

Abram Wiebe, President and a director of the Company, is a director, shareholder and the president of Wiebe Realty Corporation Limited, 824 King Street West, Kitchener which acts as the real estate agent for the Company in a majority of the Company's real estate transactions and charges the normal commission for its services. Mr. Wiebe is also a director, shareholder and the president of Vintage Homes Limited, 150 Victoria Street South, Kitchener which purchases building lots from the Company from time to time.

C. E. Dunker, a director of the Company, is president of Dunker Construction Limited which company acts as the general contractor for the majority of the Company's building projects on a competitive bid basis.

Mr. C. N. Weber and Mr. H. E. Wambold, both directors of the Company, are respectively the president of C. N. Weber Limited and K-W Readymix Limited. On occasion these companies have acted as sub-contractors on projects of the Company, on a competitive bid basis.

AUDITOR, TRANSFER AGENT AND REGISTRAR

The auditors of the Company are Messrs. McDonald, Currie & Co., Chartered Accountants, 305 King Street West, Suite 1101, Kitchener, Ontario.

The Transfer Agent and Registrar for the common shares of the Company is The Canada Trust Company at its principal offices in Kitchener and Toronto.

The register for the Convertible Debentures will be kept by National Trust Company, Limited at its principal office in Toronto.

MATERIAL CONTRACTS

Except for contracts entered into in the ordinary course of business, there are no contracts entered into by the Company within the two years prior to the date hereof which can reasonably be regarded as presently material to proposed purchasers of the securities offered by this prospectus other than the underwriting agreement between the Company and Cochran, Murray & Co., Limited referred to under the heading "Plan of Distribution" on page 13 and the Convertible Debenture Indenture referred to under the heading "Description of the Convertible Debentures" on page 7. Copies of the underwriting agreement and the Convertible Debenture Indenture (when executed) will be available for inspection at the head office of the Company during normal business hours during the period of primary distribution of the securities offered by this prospectus.

LEGAL MATTERS

The issuance and sale of the Convertible Debentures and common shares offered by this prospectus are subject to the approval of all legal matters on behalf of the Company by Messrs. Wintermeyer, Smith, Murphy and Graham, Kitchener and on behalf of Cochran, Murray & Co., Limited by Messrs. Osler, Hoskin & Harcourt, Toronto.

MAJOR HOLDINGS & DEVELOPMENTS LIMITED

Balance Sheet as at July 31, 1968 and Pro Forma Balance Sheet as at July 31, 1968 (Note 1)

ASSETS

	\$	Pro Forma \$
CASH.....	—	2,321,552
SALE AGREEMENTS AND MORTGAGES RECEIVABLE (including \$404,395 receivable from an affiliated company) (Note 2).....	1,226,235	1,226,235
PROPERTY HELD FOR DEVELOPMENT—at cost (Note 2).....	2,570,155	2,570,155
PRELIMINARY EXPENSES—WESTMOUNT VILLAGE.....	87,440	87,440
DEFERRED EXPENSES.....	24,346	24,346
INVESTMENT IN SHARES OF AN AFFILIATED COMPANY—at cost.....	4,791	4,791
FIXED ASSETS—at cost less accumulated depreciation (Notes 2 & 3).....	3,411,068	3,411,068
UNAMORTIZED DEBT FINANCING EXPENSE.....	—	100,000
	<u>7,324,035</u>	<u>9,745,587</u>

LIABILITIES

BANK ADVANCES (secured).....	165,448	—
ACCOUNTS PAYABLE AND ACCRUED LIABILITIES (including \$55,953 payable to affiliated companies).....	295,222	295,222
INCOME TAXES.....	945	945
9½ % AND 10½ % NOTES PAYABLE—due 1968 to 1971 (including \$18,500 payable to share- holders).....	114,557	114,557
PROVISION TO COMPLETE SUBDIVISIONS.....	105,681	105,681
DEFERRED INCOME.....	2,500	2,500
MORTGAGES AND PURCHASE AGREEMENTS PAYABLE (including \$262,000 payable to share- holders).....	5,511,193	5,511,193
7¼ % SUBORDINATED SINKING FUND CONVERTIBLE DEBENTURES due December 15, 1988...	—	1,750,000
	<u>6,195,546</u>	<u>7,780,098</u>
DEFERRED INCOME TAXES (Note 4).....	251,509	251,509
	<u>6,447,055</u>	<u>8,031,607</u>

SHAREHOLDERS' EQUITY

CAPITAL STOCK (Notes 5 & 6).....	346,091	1,183,091
RETAINED EARNINGS.....	530,889	530,889
	<u>876,980</u>	<u>1,713,980</u>
	<u>7,324,035</u>	<u>9,745,587</u>

Signed on Behalf of the Board

(Signed) A. WIEBE, Director

(Signed) B. H. BURNS, Director

**MAJOR HOLDINGS & DEVELOPMENTS LIMITED
AND PREDECESSOR COMPANIES**

**MAJOR HOLDINGS (WATERLOO) LIMITED AND
MAJOR HOLDINGS INDUSTRIAL DEVELOPMENTS LIMITED**

**Statement of Earnings and Retained Earnings
for the Five Years and Six Months Ended July 31, 1968**

	YEARS ENDED JANUARY 31,					SIX MONTHS ENDED JULY 31,	
	1964 \$	1965 \$	1966 \$	1967 \$	1968 \$	1968 \$	1967 \$ (Unaudited)
GROSS OPERATING REVENUE	662,057	903,268	861,700	1,149,400	1,225,559	689,597	468,335
EARNINGS BEFORE DEDUCTING THE FOLLOWING ITEMS:	164,902	226,743	428,640	496,283	645,013	433,793	281,423
Depreciation	28,530	39,385	52,190	52,015	60,392	28,185	31,065
Cost of long-term debt	124,780	141,497	202,796	234,994	281,845	145,336	126,227
Remuneration of directors and senior officers	14,225	19,455	34,113	54,637	59,838	32,637	29,919
	167,535	200,337	289,099	341,646	402,075	206,158	187,211
	(2,633)	26,406	139,541	154,637	242,938	227,635	94,212
Gain (loss) on disposal of fixed assets .	—	—	(447)	2,616	73,333	7,984	(3,942)
	(2,633)	26,406	139,094	157,253	316,271	235,619	90,270
PROVISION FOR INCOME TAXES (Note 4)							
Current	943	3,100	7,916	6,200	1,675	1,412	3,500
Deferred	—	8,825	13,100	60,041	91,005	78,538	—
	943	11,925	21,016	66,241	92,680	79,950	3,500
NET EARNINGS (LOSS) FOR THE PERIOD .	(3,576)	14,481	118,078	91,012	223,591	155,669	86,770
RETAINED EARNINGS—BEGINNING OF PERIOD	47,416	28,087	21,609	121,120	187,253	387,259	187,253
	43,840	42,568	139,687	212,132	410,844	542,928	274,023
DEDUCT:							
Dividends paid on preference shares . .	14,911	18,567	18,567	19,668	23,585	12,039	11,545
Premium and tax paid on redemption of preference shares	842						
Premium paid on redemption of bonds		1,500					
Amalgamation expense		892					
Commission paid on sale of preference shares				5,211			
	15,753	20,959	18,567	24,879	23,585	12,039	11,545
RETAINED EARNINGS—END OF PERIOD	28,087	21,609	121,120	187,253	387,259	530,889	262,478

MAJOR HOLDINGS & DEVELOPMENTS LIMITED

Notes to Financial Statements

1. PRO FORMA CHANGES

The pro forma balance sheet gives effect to the following:

- (a) The issue and sale, pursuant to the underwriting agreement between the Company and Cochran, Murray & Co., Limited dated November 28, 1968, of \$1,750,000 7¼% subordinated sinking fund convertible debentures due December 15, 1988 for \$1,680,000 cash, the issue and sale of 400,000 common shares (without par value) for \$837,000 cash and the payment of \$30,000 issue expense.
- (b) The application of the net proceeds aggregating \$2,487,000, as follows:
 - (i) Repayment of bank advances;
 - (ii) Addition to cash.
- (c) The issue of Supplementary Letters Patent dated October 22, 1968, subdividing the existing authorized and issued common share capital on the basis of ten for one and increasing the authorized common share capital by the creation of 1,500,000 new common shares.

2. SECURITY FOR BANK ADVANCES AND MORTGAGES PAYABLE

Bank advances are secured by an assignment of book debts. Mortgages payable are secured by property held for development, land and buildings.

3. FIXED ASSETS

Land, buildings, equipment and related accumulated depreciation are classified as follows:

	Cost \$	Accumulated Depreciation \$	Net \$
Land	235,083	—	235,083
Buildings	1,801,277	184,547	1,616,730
Equipment	102,223	56,234	45,989
Construction in progress	1,513,266	—	1,513,266
	<u>3,651,849</u>	<u>240,781</u>	<u>3,411,068</u>

4. DEFERRED INCOME TAXES

- (a) Income taxes have been reduced by deferring, for tax purposes, revenue from land sales which has been recorded in the accounts. This reduction, aggregating \$251,509, is applicable to those future periods in which the revenue deferred will be brought into taxable income and accordingly is included in the balance sheet as "deferred income taxes".
- (b) Income taxes have also been reduced by claiming the following for tax purposes:
 - (i) depreciation in excess of that recorded in the accounts,
 - (ii) interim finance costs which were capitalized in the accounts.

Deferred income taxes arising by reason of these items, amounting to \$153,000, have not been reflected in the accounts. If the company followed the deferred tax accounting concept with respect to depreciation and interim finance costs, the provision for income taxes and the net earnings for the five years and six months ended July 31, 1968 would have been stated as follows:

Year	Provision for Income Taxes \$	Net Earnings (Loss) \$
Six months ended July 31, 1968	122,950	112,669
Year ended January 31, 1968	117,680	198,591
Year ended January 31, 1967	78,041	79,212
Year ended January 31, 1966	51,216	87,878
Year ended January 31, 1965	18,025	8,381
Year ended January 31, 1964	9,943	(12,576)

5. CAPITAL STOCK

ACTUAL

Authorized—

100,000 7½% cumulative preference shares of the par value of \$10 each, redeemable at par
150,000 common shares of no par value

Issued and fully paid—

	\$
32,105 preference shares	321,050
131,772 common shares	25,041
	<u>346,091</u>

PRO FORMA

Authorized—

100,000 7½% cumulative preference shares of the par value of \$10 each, redeemable at par
3,000,000 common shares of no par value

Issued and fully paid—

32,105 preference shares	321,050
1,717,720 common shares	862,041
	<u>1,183,091</u>

6. RESERVATIONS OF CAPITAL STOCK

Options to purchase up to 130,000 common shares (adjusted to give effect to the subdivision of common shares on a 10 for 1 basis on October 22, 1968) have been granted to certain directors and officers of the company for periods terminating in 1978 at a price of \$1.50 per share to 1973 and \$3.00 thereafter.

7. CONTINGENT LIABILITY

The company is contingently liable as guarantor of the bank loan of an affiliated company in the amount of \$16,500.

8. CONTRACTUAL COMMITMENT

In October, 1967 the company commenced construction of Conestoga Towers, a high rise apartment building of 158 suites in downtown Kitchener. The total project cost, including an upset price contract for general construction, is estimated at \$2,482,000. Of this amount \$1,679,000 is now recorded in the accounts and the balance of \$803,000 will be financed by mortgage loans presently arranged.

Auditors' Report

To the Directors,
MAJOR HOLDINGS & DEVELOPMENTS LIMITED.

We have examined the balance sheet and pro forma balance sheet of Major Holdings & Developments Limited as at July 31, 1968 and the statements of earnings and retained earnings for the five years and six months then ended. Our examination included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as we considered necessary in the circumstances. We have accepted the report of another firm of Chartered Accountants on the financial statements for the year ended January 31, 1964.

The company's method of accounting for income taxes is explained in Note 4 and in respect to part (b) the company has not followed recently adopted accounting principles.

With this exception, in our opinion:

- (a) the accompanying balance sheet presents fairly the financial position of the company as at July 31, 1968;
- (b) the accompanying pro forma balance sheet presents fairly the financial position of the company as at July 31, 1968, after giving effect to the changes set forth in Note 1 to the financial statements;
- (c) the accompanying statement of earnings and retained earnings presents fairly the results of its operations for the five years and six months ended July 31, 1968;

all in accordance with generally accepted accounting principles applied on a consistent basis.

Kitchener, Canada
November 29, 1968

(Signed) McDONALD, CURRIE & Co.
Chartered Accountants

PURCHASERS' STATUTORY RIGHT OF WITHDRAWAL AND RESCISSION

The Securities Act, 1966 (Ontario) provides, in effect, that where a security is offered to the public in the course of primary distribution

- (a) a purchaser will not be bound by a contract for the purchase of such security if written or telegraphic notice of his intention not to be bound is received by the vendor not later than midnight on the second business day after the prospectus or amended prospectus offering such security is received or is deemed to be received by him or his agent, and
- (b) a purchaser has the right to rescind a contract for the purchase of such security, while still the owner thereof, if the prospectus or any amended prospectus offering such security contains an untrue statement of a material fact or omits to state a material fact necessary in order to make any statement therein not misleading in the light of the circumstances in which it was made, but no action to enforce this right can be commenced by a purchaser after the expiration of 90 days from the later of the date of such contract or the date on which such prospectus or amended prospectus is received or is deemed to be received by him or his agent.

Reference is made to Section 63 and 64 of The Securities Act, 1966 (Ontario) for the complete text of the provisions under which the foregoing rights are conferred.

Dated: November 29, 1968.

The foregoing constitutes full, true and plain disclosure of all material facts relating to the securities offered by this prospectus as required by Part VII of The Securities Act, 1966 (Ontario) and the regulations thereunder.

(Signed) A. WIEBE
President

(Signed) B. H. BURNS
Vice-President and Treasurer

On behalf of the Board of Directors

(Signed) C. N. WEBER

(Signed) H. R. HUEHN

Underwriter

To the best of our knowledge, information and belief, the foregoing constitutes full, true and plain disclosure of all material facts relating to the securities offered by this prospectus as required by Part VII of The Securities Act, 1966 (Ontario) and the regulations thereunder. In respect of matters which are not within our knowledge, we have relied upon the accuracy and the adequacy of the foregoing.

COCHRAN, MURRAY & Co., LIMITED

By: (Signed) MICHAEL CURRY

The following includes the names of all persons having an interest directly or indirectly to the extent of not less than 5% in the capital of Cochran, Murray & Co., Limited: A. R. Aylsworth, D. K. Cassels, J. B. Cronyn, C. R. T. Cunningham, A. M. M. Curry, R. T. Hutchison, J. B. Livingston, J. L. Shortly, A. M. Vansittart and Kenyon Securities Limited.

